

To: FED Employees on Salary Notice

From: Shelly Ladwig

RE: 403(b) Universal Availability Notice

Freshwater Education District (FED) offers a 403(b) plan for all employees on a Salary Notice and also offers a 403(b) matching program for employees hired after certain dates (depending on the employee class). Please see your Master Agreement or Terms and Conditions of Employment for eligibility and provider list.

A 403(b) plan is a tax-deferred retirement program that permits an employee to reduce his or her compensation on a pre-tax basis (a "deferral") and have the deferral deposited into a 403(b) account that the employee sets up with a 403(b) vendor. Amounts deferred into a 403(b) account, and any earnings on those deferrals, are generally not taxed until the employee makes a withdrawal from his or her 403(b) account following separation from service with FED.

FED maintains a list of approved 403(b) vendors and appropriate contact information for each vendor. A copy of this list is on the back of this notice and is available from appendix 1 and 2 of the plan adoption agreements. Employees should contact each vendor for information about the 403(b) products and services it offers.

To enroll in the 403(b) plan, an employee must complete a salary reduction agreement ("SRA"). The SRA will only apply to amounts earned after enrolling in the plan. This contribution will continue unless it is modified or revoked in the future.

***Employee Contributions - The completed SRA should be submitted to Shelly Ladwig in the Business Office for employee contributions to begin with the next payroll.**

***Employer Matching Contributions - For employees that qualify for the matching program the completed SRA must be submitted by February 1st of the current year. Matching contributions will begin with the first payroll of the next fiscal year.**

Employees may get the necessary enrollment forms from the payroll department or on FED's website. Additional information on District policies and other 403(b) plan rules can be obtained with the enrollment materials.

If you have any questions, please contact Shelly Ladwig at 218-894-2439 ext. 1035 or sladwig@fed.k12.mn.us

Disclosure to employees: FED has no liability for any employee's election to participate in the 403(b) plan, choice of 403(b) vendor(s), or expected tax consequences resulting from participating in the 403(b) plan. FED does not provide tax, legal or investment advice and recommends that employees seek advice from professionals who specialize in these areas.